Prohibited Goods Recovered from PM's Plane

1922. SHRI PASUMPON THA KIRUTTINAN:

SHRI V. GOPALSAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to news item "Huge drugs, silver haul from PM's Stand by Plane" appeared in the Indian Express (Madurai) on 24th May, 1993;

(b) if so, what are the details of smuggled/prohibited goods recovered from the plane;

(c) whether any enquiry has been conducted into the episode; if so, what are the details of the findings;

(d) whether any arrest has been made in this connection so far;

(e) whether any case has been filed so far, if so, what are the details thereof; and

(f) what steps are being taken in future to prevent such incidents from taking place?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Smuggled goods recovered from the plane are 36 Kgs of silver (consisting of 32.5 Kgs of silver granules and 3.5 Kgs of cylindrical silver bars) totally valued at Rs. 2,16,000. No drugs were recovered.

(c) to (e) Seizure was effected unclaimed. No arrest has been made.

(f) Field formations have been alerted to remain vigilant.

Steps to check Illegal Flow of Foreign Exchange

1923. SMT. KAMLA SINHA:

DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to the Enforcement Directorate the outflow of illegal exchange (FOREX) via Vostro accounts is anticipated to be much higher than originally estimated;

(b) if so, what are the details thereof stating the estimated illegal transfer of foreign exchange as against the earlier estimation during 1991-92 and 1992-93;

(c) the names of the banks involved and the modus operandi of the racket identified; and

(d) the action taken/proposed to be taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI M. V. CHANDRASHEKHAR MURTHY): (a) (b) Such transactions are made clandestinely and it is not possible to make reliable estimates of their volume.

(c) The non-convertible rupee funds held by BFEA (Bank for Foreign Economic Affairs) of USSR in some banks in India were converted into convertible rupee and the amounts were credited to the VOSTRO accounts (convertible) of certain foreign/overseas banks namely Standard Chartered Bank, UK; GIRO Bank, UK and Bank of Ireland, Dublin. These transactions were carried out in India by Standard Chartered Bank, Bombay; ANZ Grindlays Bank, Bombay and Indian Overseas Bank, Madras.

(d) Adjudication proceedings have been initiated against the concerned Banks/persons under FERA, 73.

NRI Invesment in Companies

1924. SHRI SANGH PRIYA GAUTAM:

DR. NAUNIHAL SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that NRI investor is allowed to buy equity shares of only a single company upto one per cent of the total paid up value of equity capital of the company concerned with repatriation rights; and

(b) whether it is a fact that the total purchase made under the scheme by all eligible categories of NRI's should not exceed five per cent of the total paid up value of equity capital of the company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Under the Portfolio investment Scheme, investment by an individual NRI investor through stock exchanges in equity/preference shares and Convertible Debentures of any single listed Indian Company should not exceed 1% of its total paid up equity capital or preference capital. or 1% of total paid up value of each series of convertible debentures issued by it. The collective ceiling for all such investments by all NRIs/OCBs in a single company is 5%. However, if a General Body Resolution passed by the shareholders of a company so resolves the collective ceiling for NRIs' investments through stock exchanges in that company could be upto 24% as against the normal ceiling of 5%. There is no restriction on the number of companies in which such purchases can be made by the NRIs.

Unaccounted Money Investment by Dibrugarh Industrialist

1925. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether the Commissioner of Income Tax, Shillong was personally informed in writing on 5th September, 1991 at his Dibrugarh camp of the details of substantial investment of unaccounted money and thereby huge tax evasion by the Bansidhar Badridas Modi group of Dibrugarh;

(b) if so, the details thereof and what action has been taken in the matter so far;

(c) whether the said Commissioner was also informed in the above communication about the active collusion by one Hulash Mal Varma, Chartered Accountant and Messrs Insty Prints both at Dibrugarh;

(d) if so, what are the details thereof and what action so far has been taken in the matter; and

(e) if no action has been taken in respect of (a) and (c) above, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The allegations relate to tax evasion by Smt. Saraswati Devi Bharuka, Shri Sajjan Kumar Bharuka, Shri Pradip Kumar Bharuka, Shri Ramesh Kumar Agarwalla and M/s. Gopilal Narsinghlal HUF. Proceedings under section 147 of the I.T. Act, 1961 have been initiated by the assessing officer for the assessment year 1983-84 in respect of Smt. Saraswati Devi Bharuka, Shri Sajjan Kumar Bharuka and Shri Pradip Kumar Bharuka.

(c) and (d) No, Sir. However, the enquiries conducted by the Income Tax Department have revealed that one Smt. Shakuntala Agarwalla (Bharuka) received salary from Shri H.M. Varma during 1988-89 and from M/s. Insty Prints, Dibrugarh during 1989-90. She has filed her returns of A.Y. 1988-89 to A.Y. 1991-92. Assessments for first three years have been completed and assessment of A.Y. 1991-92 is pending.

(e) Does not arise in view of replies to part (a), (c) and (d) above.

Impact of Economic Reforms on rural poor

1926. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a report of U.H.D.P. calling for cushioning the adverse impact of India's economic reforms on the poor of the country;

(b) if so, what are the details thereof;

(c) whether it is a fact that Government have evaluated the impact of these reforms on the poor;

(d) if so, what are the details thereof;

(e) whether it is also a fact that Government propose to take corrective steps in this direction; and

(f) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Per-